THE MINISTER OF FINANCE SHRI (MANMOHAN SINGH): (a) The Chairman, SEBI did not make any statement on 19th July, 1995 that the Stock Exchanges would shortly decide on
implementing a carry-forward system for transactions in shares.

(b) As a measure to enhance liquidity in the stock market, the Board of SEBI at its meeting held on 27th July, 1995 approved the introduction of a revised carry-forward system for transactions in shares in Stock Exchange with prudential norms and safe guards such as the following:

(i) Stock Exchanges would be allowed to introduce carry-forward system only with the prior permission of SEBI. Such permission would be accorded subject to the availability of suitable infrastrucutre of the Stock Exchanges and their capability to have an effective monitoring and surveillance system. It would be essential for the Stock Exchanges to have screen-based trading before the carry-forward system could be introduced.

(ii) The transactions would be allowed to be carried forward for a period not exceeding 90 days;

(iii) The margin on carry-forward transactions would be imposed on gross basis, starting with 20% in the first settlement and progressively increasing to 50%
during the fourth and fifth settlement:

computerised book-entry for transfer of securities „ and facilitates quicker settlement of transactions in Stock Exchanges, thereby benefiting the stock market and the investors.

Irregularities in Reliance Group of Industries

*134. SHRI GURUDAS DAS GUPTA:
SHRI JALAUDIN ANSARI:

Will the Minister of FINANCE be pleased to state:

(a) whether he has received any letter of complaints from a Member of Parliament alleging irregularities committed by the Reliance Group of Industries;

(b) if so, the details thereof;

(c) whether any inquiry has been conducted into the allegations; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE SHRI (MANMOHAN SINGH): (a) to (d) Complaints have beer received from Shri Viswanath Shastri, Member of Parliament
alleging violation of various laws by the Reliance Group of Industries. Except some issues which have been closed due to non-substantiation of allegations, the cases referred to in these letters are at different stages of investigations/ adjudication. Brief details of these cases are given in the enclosed statement.

Statement

1. *Allegation:* Shri Shastri had alleged that
Shri Mukesh Ambani had exported 60
containers
containing 'dal' showing them as filamert yarn from his Patalganga factory.

Position: Investigations in this case have been completed by Customs authorities and Show Cause Notices have been issued to 30 respondents on 2.9.1994. Some of the notices are yet to file their replies. However, the case is still under investigation by Enforcement Directorate.

2. *Allegation:* It was alleged that Reliance had illegally imported plant and machinery for manufacturing Purified Terepthalic Acid (PTA).

Position: In this case show Cause Notice (SCN) was issued on 11.3.90 and the matter is pending adjudication with Commisssioner of Customs, Bombay. Hearing has been completed. However, the adjudication order had not yet been passed.

3. *Allegation:* It was alleged that Reliance evaded over Rs. 120 crores of Customs duty through misdeclaration of plant capacity and adjudication order has not yet been passed.

Position: Customs Department has filed an appeal before Customs, Excise and Gold (Control) Appellate Tribunal against the adjudication order passed by the Collector (Commissioner) dropping the charge after getting the stay obtained by the party vacated from the High Court. The appeal is pending before CEGAT.

4. *Allegation:* It was alleged that assessment or less in respect of the benami companies of Ambani were set aside at the instance of C.B.D.T. Chairman.

Position: These assessment were set aside by the Commissioner of Income-Tax (Appeals) with the direction that the Assessing Officer should confront the Assessees with the material available with the Department and consider the material with the assessecs.

5. *Allegation:* It was alleged that there was a case of Excise duty evasion by Reliance to the tune of Rs. 27 crores but no action was taken because of collusion between officials and the party.

Position:The cases has been adjudicated on 18.5.1993 confirming the demand of Rs. 1.09 crore. Party has filed appeal against the adjudication order. The appeal is pending before Customs, Excise and Gold (Control) Appellate Tribunal (CEGAT).

6. Allegation: II was alleged that no prosecution was launched against Shri Ambani for having foreign bank A/c. Illegally.

Position: This account was opened by Shri Vimal Ambani in U.S.A. where he had gone for studies during the period 1985-87. The matter regarding FERA violation has been closed as no charge could be established. However, the interest earned on this account and balance in the account at the end of the relevant financial years were not reflected in his relevant returns of income and wealth. He has paid Income-tax and interest thereon of Rs. 9085 and Rs. 2460 respectively for these two years. The matter regarding Wealth tax is pending before Commissioner of Income-Tax (Appeals) Bombay. No prosecution was launched having regard to the amount involved as per existing guidelines.

7. *Allegation:* It was alleged that prosecution was not filed against the company for default in T.D.S. payment.

Position: The amount of penalty was reduced to Rs. 1 lakh for assessment year 1985-86 by the Income Tax Appellate Tribunal (ITAT) Bombay. The prosecution proceedings for assessment year—1985-86 and 1986-87 have been dropped in view of decision of ITAT and the opinion of Ministry of Law.

घरेलू मदों के उत्पादन में कमी

*135. **श्री सोमपाल** : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार ने 20 जून, 1995 के "द हिन्दू" दैनिक समाचार-पत्र में छपे उस लेख को देखा हैं जिसमें घरेलू उत्पादों में कमी आने और सरकार द्वारा इस संबंध में एकत्रित आंकड़ो को वास्तविकता से अधिक दिखाए जाने की बात कही गई हैं; और

(ख) यदि हां, तो इस पर सरकार की क्या प्रतिक्रिया हैं और सरकार गिरती हुई बचत दर एवं आकंड़ो का सही विवरण प्रस्तुत करने के लिए कौन से सुधारात्मक उपाय करना चाहती हैं?

वित्त मंत्री (श्री मनमोहन सिंह) : (क) जी, हां।लेख का शीर्षक "क्या घरेलू बचतों को वास्तविकता से अधिक अनुमानित किया गया है"? यह लेख "घरेलू मदो के उत्पादन" के बारे में प्रकाशित हुआ प्रतीत नहीं होता। फिर भी उक्त लेख मुख्य रूप से अपने आकलन मे बचतों और संबंधित कार्य प्रणाली से संबंधित मामलों को समर्पित है।

(ख) बचतों और पूंजी निर्माण के अनुमान लगाने का चालू तरीका लगभग 12 वर्ष पहले प्रो. के. एन. राज की अध्यक्षता में बचतो पर स्थापित कार्यकारी दल द्वारा सुनाई गई प्रणाली पर आधारित हैं। तब से बहुत से नए विकास हुए हैं। अर्थव्यवस्था में प्रमुख सुधार आरम्भ किए गए हैं। प्रयुक्त आवश्यकताओं में भी बहुत परिवर्तन हुए है। इन सब को ध्यान में रखते हुए सांख्यिकी विभाग ने विद्यमान कार्यप्रणाली की समीक्षा करने और तरीकों व कार्य-प्रणालियों में सुधार संबंधी सुझाव देने के लिए अप्रैल, 1995 में बचत और पूंजी निर्माण पर एक विशेषज्ञ समिति की स्थापना की हैं।

Non-Extension of counter guarantee for SEBs

*136. SHRI SANATANI BISI: Will the Minister of POWER be pleased to state:

(a) the name of SEBs in whose favour Government have not approved the extension of counter guarantee for non-compliance of the terms and conditions; and

(b) whether total generating capacity of such SEBs is likely to be adversely affected as a result thereof?

THE MINISTER OF POWER (SHRI N.K.P. SALVE): (a) Government of Inida has decided to extend Government of India (GOI) counter guarantee to eight initial projects cleared from the foreign investment angle. GOI counter guarantee documents in respect of two projects viz. Dabhol Power Project (695 MW- Phase-I) in Maharashtra and lb Valley TPS (Unit 3 & 4—2x210 MW) in Orissa have been signed. GOI counter guarantee for other projects are under finalisaiton. So far, the issue of not extending GOI counter guarantee for the already agreed projects due to non-compliance of the terms and conditions by the concerned State Electricity Board (SEB) has not arisen.

(b) Docs not arise.

Gas based Power Projects

*137. SHRI BHUPINDER SINGH MANN: Will the Minister of POWER be pleased to state:

(a) the details of gas-based power projects in the country;